



MINUTES

REVENUE AND TAXATION INTERIM COMMITTEE

Wednesday, October 16, 2019 | 1:15 p.m. | 445 State Capitol

Members Present:

Sen. Lincoln Fillmore, Chair
Rep. Robert M. Spendlove, Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Deidre M. Henderson
Rep. Stewart E. Barlow
Rep. Joel K. Briscoe
Rep. Brad M. Daw
Rep. Steve Eliason
Rep. Francis D. Gibson
Rep. Val L. Peterson
Rep. Tim Quinn
Rep. Douglas V. Sagers

Rep. Rex P. Shipp
Rep. Norman K. Thurston

Members Absent:

Sen. Daniel Hemmert
Rep. Bradley G. Last
Rep. Jefferson Moss
Rep. Andrew Stoddard

Staff Present:

Mr. Ryan M. Hunter, Policy Analyst
Mr. Alex R. Janak, Policy Analyst
Ms. Andrea Valenti Arthur, Associate General Counsel
Ms. Christine R. Gilbert, Associate General Counsel
Mr. Jesse Dowdle, Administrative Assistant

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Chair Spendlove called the meeting to order.

1 . Committee Business

MOTION: Rep. Sagers moved to approve the minutes of the September 18, 2019, meeting. The motion passed with a vote of 11 - 0 - 8.

Yeas-11

Rep. S. Barlow
Sen. C. Bramble
Rep. J. Briscoe
Sen. G. Davis
Rep. S. Eliason
Sen. D. Henderson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. N. Thurston

Nays-0

Absent-8

Rep. B. Daw
Sen. L. Fillmore
Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last
Rep. J. Moss
Rep. V. Peterson
Rep. A. Stoddard

2 . Use and Taxation of Water in Utah

Sen. Fillmore assumed the chair.

Ryan M. Hunter, Policy Analyst, Office of Legislative Research and General Counsel, explained the statutory requirement regarding revenue breakdown reports from water conservancy districts and metropolitan water districts.

Richard Bay, General Manager, Jordan Valley Water Conservancy District, and Dave Martin, CFO, Jordan Water Conservancy District, explained their water district's revenue breakdown and responded to questions from committee.

Camille Moore, Secretary, Upper Seview Water Conservancy District, explained their water district's revenue breakdown and responded to questions from committee.

[4 - Water District Revenue Reports](#)

MOTION: Rep. Thurston moved to open a committee bill file for the captive insurance issue. The motion passed with a vote of 13 - 0 - 6.

Yeas-13

Rep. S. Barlow
Sen. C. Bramble
Rep. J. Briscoe
Sen. G. Davis
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Sen. D. Henderson
Rep. V. Peterson
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. N. Thurston

Nays-0

Absent-6

Rep. F. Gibson
Sen. D. Hemmert
Rep. B. Last
Rep. J. Moss
Rep. T. Quinn
Rep. A. Stoddard

3 . Sales Tax Trends

Dr. William F. Fox, Director, Boyd Center for Business and Economic Research, The University of Tennessee, presented on sales tax disrupters in Utah and responded to questions from the committee.

[2 - Sales Tax Disrupters in Utah](#)

4 . Report on Overall Tax Burden in Utah

Christopher Collard, Research Analyst, Utah Foundation, presented a report on Utah's tax burden.

[3 - Tax Burden Presentation](#)

5 . Draft Legislation, "Fuel Sales Tax Amendments"

Christine R. Gilbert, Associate General Counsel, Office of Legislative Research and General Counsel, spoke to the draft legislation.

Rebecca Rockwell, Commissioner, Utah State Tax Commission, spoke in favor of the bill.

[5 - "Fuel Sales Tax Amendments" - 2020FL0664, version 2](#)

MOTION: Sen. Davis moved to recommend "Fuel Sales Tax Amendments" - 2020FL0664, version 2. The motion passed with a vote of 12 - 0 - 7.

Yeas-12

Rep. S. Barlow
Sen. C. Bramble
Rep. J. Briscoe
Sen. G. Davis
Rep. B. Daw
Rep. S. Eliason
Sen. L. Fillmore
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. N. Thurston

Nays-0Absent-7

Rep. F. Gibson
Sen. D. Hemmert
Sen. D. Henderson
Rep. B. Last
Rep. J. Moss
Rep. R. Spendlove
Rep. A. Stoddard

6 . Draft Legislation, "Tangible Personal Property Revisions"

Rep. Lisonbee spoke to the draft legislation.

John L. Valentine, Chair, Utah State Tax Commission, spoke in favor of the bill.

[6 - "Tangible Personal Property Revisions" - 2020FL0563, version 2](#)

MOTION: Rep. Thurston moved to recommend "Tangible Personal Property Revisions" - 2020FL0563, version 2. The motion passed with a vote of 12 - 0 - 7.

Yeas-12

Rep. S. Barlow
Sen. C. Bramble
Rep. J. Briscoe
Sen. G. Davis
Rep. B. Daw
Sen. L. Fillmore
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. N. Thurston

Nays-0Absent-7

Rep. S. Eliason
Rep. F. Gibson
Sen. D. Hemmert
Sen. D. Henderson
Rep. B. Last
Rep. J. Moss
Rep. A. Stoddard

7 . Draft Legislation, "Circuit Breaker Amendments"

Sen. Davis spoke to the draft legislation.

Andrea Valenti Arthur, Associate General Counsel, Office of Legislative Research and General Counsel, further explained the draft legislation and responded to questions from the committee.

Rebecca Rockwell spoke in favor of the bill.

Steve Erickson, Crossroads Urban Center, spoke in favor of the bill.

[7 - "Circuit Breaker Amendments" - 2020FL0666, version 4](#)

MOTION: Sen. Davis moved to recommend "Circuit Breaker Amendments" - 2020FL0666 version 4. The motion passed with a vote of 11 - 0 - 8.

Yeas-11

Rep. S. Barlow
Rep. J. Briscoe
Sen. G. Davis
Rep. B. Daw
Sen. L. Fillmore
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. N. Thurston

Nays-0Absent-8

Sen. C. Bramble
Rep. S. Eliason
Rep. F. Gibson
Sen. D. Hemmert
Sen. D. Henderson
Rep. B. Last
Rep. J. Moss
Rep. A. Stoddard

8 . Required Sunset Reviews

Ryan M. Hunter spoke to required sunset reviews.

MOTION: Sen. Davis moved to open a committee bill file to remove the certain sunset and extend it by ten years. The motion passed with a vote of 10 - 0 - 9.

Yeas-10

Rep. S. Barlow
Rep. J. Briscoe
Sen. G. Davis
Rep. B. Daw
Sen. L. Fillmore
Rep. V. Peterson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove

Nays-0Absent-9

Sen. C. Bramble
Rep. S. Eliason
Rep. F. Gibson
Sen. D. Hemmert
Sen. D. Henderson
Rep. B. Last
Rep. J. Moss
Rep. A. Stoddard
Rep. N. Thurston

9 . Tax Restructuring and Equalization Task Force Update

Chair Spendlove updated the committee on the progress of the Tax Restructuring and Equalization Task Force.

10 . Transient Room Tax

Scott Smith, Executive Director, Utah State Tax Commission, and John L. Valentine spoke to tax compliance and enforcement and responded to questions from the committee.

[10 - Tax Compliance and Enforcement](#)

Kaitlin Eskelson, Executive Director, Utah Tourism Industry Association, Falyn Owens, Executive Director, Garfield County Office of Tourism, David Tebbs, Garfield County Commission, Leshia Coltharp, Director, Uintah County Travel and Tourism, and Camille Moore, Garfield County Auditor, presented on problems with local transient room tax compliance.

John L. Valentine and Scott Smith answered questions from the committee.

11 . Required Sunset Reviews

Ryan M. Hunter presented an additional sunset review to the committee.

12 . Required Annual Review of Certain Income Tax Credits

Ryan M. Hunter presented a review on the recycling market zone tax credit sunset.

MOTION: Rep. Spendlove moved to adjourn. The motion passed with a vote of 10 - 0 - 9.

Yeas-10

Rep. S. Barlow
Sen. C. Bramble
Rep. S. Eliason
Sen. L. Fillmore
Rep. F. Gibson
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. N. Thurston

Nays-0

Absent-9

Rep. J. Briscoe
Sen. G. Davis
Rep. B. Daw
Sen. D. Hemmert
Sen. D. Henderson
Rep. B. Last
Rep. J. Moss
Rep. V. Peterson
Rep. A. Stoddard

Chair Fillmore adjourned the meeting.